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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/873,040	06/01/2001	Martin G. Meder	139	4223

7590 08/11/2006

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EXAMINER	
BORLINGHAUS, JASON M	
ART UNIT	**PAPER NUMBER**
3693	

DATE MAILED: 08/11/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/873,040	MEDER, MARTIN G.	
	Examiner	Art Unit	
	Jason M. Borlinghaus	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *25 May 2006*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-22* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-22* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 – 6 and 12 - 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hymer (Hymer, Dian. *Starting Out: The Complete Home Buyer's Guide. Chronicle Books.* San Francisco, California. 1997. pp. 13 – 19, 75 – 78 and 94 - 100) in view of Lindeman (Lindeman, J Bruce & Friedman, Jack P. *Florida Real Estate Exams. Barron's Education Series.* Happauge, New York. 1997. pp. 239, 241 and 243) and Cherry (Cherry, Edith. *Programming For Design: From Theory To Practice. John Wiley & Sons.* 1999. pp. 228).

Regarding Claim 1, Hymer discloses a method of buying real estate comprising:

- extracting from a real estate for sale database (Internet sites, multiple listing services, real estate brokerage companies) a plurality of real estate records (records, real estate home pages). (see pp. 94 – 98);
- real estate for sale information considered is the offer price (list price/asking price – see pp. 98 – 100) and annual property taxes due (see pp. 13 – 15) from each of a plurality of real estate records;
- sorting (search/generate) the plurality of records (see pp. 94 – 98); and
- displaying the sorted records so that a decision to buy real estate may be made (see pp. 94 – 98 – It is inherent that records searched and sorted via a browser interface would be displayed for the user).

Hymer does not teach underlined claim limitations - a method of buying real state comprising:

- extracting from a real estate for sale database the offer price, annual property taxes due and tax assessment valuation from each of a plurality of real estate records;
- calculating the return on investment of a hypothetical successful appeal of the tax assessment for each of a plurality of records;
- sorting the plurality of records according to the return on investment of each record of the plurality of records; and
- displaying the sorted records so that a decision to buy real estate may be made.

Lindeman discloses a method of buying real estate comprising:

- real estate information considered is the tax assessment valuation (assessed value) of a property. (see p. 241); and
- filing a tax appeal (appeal/protest) of the tax assessment for a property. (see p. 243).

Cherry discloses a method of buying real estate comprising:

- calculating the return on investment of a real estate purchase. ("Almost any real estate venture involves a certain amount of risk and should make a return on the investment that makes the risk worth it. Return on Investment > Return on Alternative Investments." – see p. 228).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer by incorporating into the database information commonly considered in the real estate purchase decision-making process such as offer price and property taxes, as disclosed by Hymer, and tax assessment valuation, upon which property taxes are determined, as disclosed by Lindeman, providing the potential purchaser with all relevant information to make the real estate purchase decision.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer and Lindeman by incorporating information related to a successful tax appeal of the tax assessment, as disclosed by Lindeman, as such successful appeal would affect property taxes and, thereby affect factors related to property financing and property value, as disclosed by Hymer (see pp. 13 – 15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer and Lindeman by incorporating information related to return of investment, as disclosed by Cherry, as return on investment is a commonly considered calculation among real estate ventures.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer, Lindeman and Cherry by incorporating the ability to base the return on investment based upon the hypothetical successful appeal of tax assessment valuation, as disclosed by Lindeman, as such a successful appeal would lower the applicable property taxes, making property financing easier for future purchasers and making property refinancing easier for current property owners.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer, Lindeman and Cherry by incorporating the ability to sort the records, as disclosed by Hymer, in any manner that the inventor desired, such as by return on investment. *In re Kuhle, 526 F.2d 553, 555, 188 USPQ 7, 9 (CCPA 1975).*

Regarding Claim 2, Hymer does not teach underlined claim limitations - a method wherein the plurality of records is a subset of total records in a real estate database, the plurality of records comprising:

- records that have tax assessment valuations greater than the offer price.

Lindeman discloses a method wherein:

- tax assessment valuations are based upon market price/sale proceeds. (see p. 239); and

- tax assessment valuations deemed too high can be appealed. (see p. 243).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer, Lindeman and Cherry by incorporating an ability to segregate a subset of records in which the tax assessment valuations are greater than offer price (market value) as such real estate properties have the better likelihood of a successful appeal of the tax assessment, as illustrated by Lindeman.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer, Lindeman and Cherry by incorporating the ability to sort the records, as disclosed by Hymer, in any manner that the inventor desired, such as by the differential between tax assessment valuations and offer price. *In re Kuhle, 526 F.2d 553, 555, 188 USPQ 7, 9 (CCPA 1975).*

Regarding Claims 3 – 4, Hymer discloses a method wherein the plurality of records is a subset of total records in a real estate database, the plurality of records comprising:

- records that have also been sorted for geographic location. (see pp. 94 – 99); and
- records that have also been sorted for offer price (list price/price range). (see pp. 94 – 99).

Regarding Claim 5, Hymer discloses a method wherein:

- upper mortgage qualification limitations is based upon ratio (front-end ratio) between monthly housing expense and monthly income. (see pp. 16 – 19); and
- monthly housing expense is the cost of the mortgage payment (principal and interest) and property taxes. (see pp. 16 – 19).

Hymer does not teach underlined claim limitations - a method wherein:

- the step of calculating the return on investment substitutes an increased future sales price based on hypothetical increased future mortgage, wherein the property taxes saved by a hypothetically successful tax assessment valuation appeal allow for an increased future mortgage.

Lindeman discloses a method wherein:

- tax assessment valuations deemed too high can be appealed. (see p. 243); and
- property taxes are based upon tax assessment valuations. (see p. 241).

It would have been obvious to one with ordinary skill in the art at the time the invention was made to have modified Hymer, Lindeman and Cherry by incorporating the concept that a hypothetical successful tax assessment valuation appeal, as disclosed by Lindeman, would allow for lower property taxes, as disclosed by Lindeman, which would allow for the lower property taxes to account for less of the housing expense, as disclosed by Hymer, allowing more of the balance of the housing expense to account for the mortgage payment, as disclosed by Hymer, allowing for a purchaser with a set

income to manage a higher mortgage payment and, therefore, an increased future mortgage for the real estate under the same mortgage qualification limitations.

It would have been obvious to one with ordinary skill in the art at the time the invention was made to have modified Hymer, Lindeman and Cherry by incorporating the ability to take into account this increased future mortgage, as discussed above, into the return on investment calculation, as it is old and well known in the art, that the return on investment calculation utilizes the return on the investment, and the source of said return is immaterial, whether the return is generated by rehabilitation of the property, general appreciation or restructuring of mortgage financing.

Regarding Claim 6, Hymer does not teach underlined claim limitations - a method:

- wherein the step of calculating the return on investment includes frictional costs.

Inclusion of all costs related to an investment into the calculation of the return on investment is old and well known in the art of accounting and financial management. It would have been obvious to one of ordinary skill in the art to have modified Hymer, Lindeman and Cherry by incorporating the frictional (transactional) costs of the investment, as is old and well-known, to get an accurate accounting of the invested capital and, therefore, an accurate accounting of the return on investment.

Regarding Claims 12 – 19, further method claims would have been obvious from method claims rejected above, Claims 1 – 6, and are therefore rejected using the same art and rationale.

Regarding Claim 20, Hymer discloses a method of buying real estate:

- sorting (search/generate) a plurality of records in a real estate for sale database (Internet sites, multiple listing services, real estate brokerage companies). (see pp. 94 – 98);
- locating real estate for sale with an existence of an indication a state of disrepair (fixer-upper). (see pp. 75 – 78).

Hymer does not teach underlined claim limitations - a method of real estate buying, comprising:

- wherein the defect is an indication of disrepair.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer by incorporating the ability to sort the records, as disclosed by Hymer, in any manner that the inventor desired, such as by indication of state of repair.

Regarding Claims 21 – 22, further method claims would have been obvious from method claims rejected above, Claims 1 – 2, and are therefore rejected using the same art and rationale.

Claims 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hymer.

Regarding Claim 7, Hymer discloses a method of buying real estate, comprising:

- sorting (search/generate) a plurality of records in a real estate for sale database (Internet sites, multiple listing services, real estate brokerage companies). (see pp. 94 – 98);
- locating real estate for sale with an existence of an indication a state of disrepair (fixer-upper). (see pp. 75 – 78); and
- displaying the sorted contents so that a decision to buy may be made. (see pp. 94 – 98 – It is inherent that records searched and sorted via a browser interface would be displayed for the user).

Hymer does not teach underlined claim limitations - a method of real estate buying, comprising:

- sorting a plurality of records in a real estate for sale database according to an existence of an indication of a state of disrepair.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer by incorporating the ability to sort the records, as disclosed by Hymer, in any manner that the inventor desired, such as by indication of state of repair.

Claims 8 – 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hymer in view of Thomsett (Thomsett, Michael C. & Thomsett, Jean Freestone. *Getting Started In Real Estate Investing. 2nd Edition. John Wiley & Sons.* 1998. pp. 212 - 214).

Regarding Claims 8 – 9, Hymer discloses a method:

- wherein a search term is used. (see pp. 94 – 99).

Hymer does not teach underlined claim limitations - a method:

- wherein the indication of a state of disrepair is the existence of a euphemism for a state of disrepair in the description of property in a record; and
- wherein the indication of a state of disrepair is the existence of a euphemism for a state of disrepair in the description of property in a record, and wherein a search term for the euphemism is selected from at least one of diamond, fixer-upper, TLC and handyman.

Thomsett discloses a method:

- wherein the indication of a state of disrepair (fixer-upper) is the existence of a euphemism (descriptive term) for a state of disrepair in the description of property in a record (advertisement). (see p. 212 – 214, especially p. 214); and
- wherein the indication of a state of disrepair (fixer-upper) is the existence of a euphemism (descriptive term) for a state of disrepair in the description of property in a record (advertisement), and wherein the euphemism (descriptive term) is selected from at least one of fixer-upper (fixer-upper), TLC (TCL) and handyman (handyman's special/handyman's delight). (see p. 212 – 214, especially p. 214).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Hymer by incorporating the ability to search the records on the basis of commonly utilized euphemisms for a state of repair, as

disclosed by Thomsett, as such euphemisms are commonly used in conventional advertisements for such real estate properties.

Regarding Claims 10 – 11, Hymer discloses a method wherein the plurality of records is a subset of total records in a real estate database, the plurality of records comprising:

- records that have also been sorted for geographic location. (see pp. 94 – 99); and
- records that have also been sorted for offer price (list price/price range). (see pp. 94 – 99).

Response to Arguments

Applicant's arguments filed 5/25/06 have been fully considered but they are not persuasive in part, and persuasive in part.

In response to applicant's argument that examiner has failed to establish a prima facie case of obviousness, examiner asserts that a prima facie case of obviousness has been established. Applicant is reminded that "[t]o establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." *See MPEP § 2143.*

In response to applicant's argument that there is no suggestion to combine the references, the Courts have stated that ***"[a] suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art***, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references...The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art... there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." (emphasis added). *In re Kahn, 78 USPQ2d 1329, 1336 (CA FC 2006).* Examiner asserts that he can and/or has provided such "articulated reasoning" to support the legal conclusion of obviousness.

In response to applicant's refutation that the prior art reference(s) offered by examiner fails to disclose applicant's claim limitations, 37 CFR § I.III(b) states, "A general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the references does not comply with the requirements of this section." Applicant has failed to specifically point out how the language of the claims patentably distinguishes them from the prior art references utilized and, therefore, examiner is unable to respond to the applicant's arguments concerning prior art reference(s) on the merits.

In response to applicant's argument that the rejection of Claims 1 – 6 and 14 – 19 on the basis of § 112 enablement issues, examiner asserts that such rejection was not improper, but nonetheless withdraws his § 112 non-enablement

rejection. Claim 12, a broad claim reciting the sorting and displaying of real estate records, was enabled by the specification, while Claim 14, a narrower claim reciting calculations based upon a potential successful appeal, was believed to not have been enabled by the specification. It was the narrower subject matter of Claim 14 that led the examiner to assert a § 112 rejection based upon non-enablement. Therefore, a § 112 rejection based upon non-enablement would only be applicable to Claim 14, with its supposedly non-enabled claim limitations, and claims dependent upon such a rejected claim. Thus, rejection of dependent Claims 14 – 19 and not the independent Claim 12 was proper.

However, this is point is moot as examiner accepts applicant's arguments concerning the ROI calculations. Examiner had previously interpreted the ROI calculations as including the calculation of a probability factor of a successful tax appeal, such probability calculations not being enabled by the specification. However, upon closer examination of the claim language such probability calculations were not evident within Claims 1 and 14.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jason M. Borlinghaus whose telephone number is (571) 272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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ELLA COLBERT
PRIMARY EXAMINER